



**Health Services**  
LOS ANGELES COUNTY

**Los Angeles County  
Board of Supervisors**

May 10, 2006

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Second District

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Third District

**Don Knabe**  
Fourth District

**Michael D. Antonovich**  
Fifth District

**TO: Each Supervisor**

**FROM: Bruce A. Chernof, M.D.**  
Director and Chief Medical Officer

**SUBJECT: PATIENT ACCOUNT COMPROMISE REPORT -  
THIRD QUARTER FISCAL YEAR (FY) 2005 - 2006**

**Bruce A. Chernof, MD**  
Director and Chief Medical Officer

**John R. Cochran III**  
Chief Deputy Director

**William Loos, MD**  
Acting Senior Medical Officer

Attached is DHS' quarterly report of approved account compromises which shows the liability reduced and the reasons for such reductions. For the third quarter covering January 1, 2006 through March 31, 2006, total liability reductions were \$ 2.2 million (27%) and corresponding approved compromise offers were \$5.9 million (73%).

If you have questions or desire additional information, please let me know.

**BAC:lg**  
(A:\Stecker\FY0506CompromiseReportQ3\FY0506Q3.doc)

**Attachment**

**c: Chief Administrative Officer  
County Counsel  
Executive Officer, Board of Supervisors  
Auditor-Controller  
Treasurer Tax Collector**

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**COUNTY OF LOS ANGELES - DEPARTMENT OF HEALTH SERVICES**  
**APPROVED PATIENT ACCOUNT COMPROMISES**  
**FISCAL YEAR 2005 - 2006**  
**THIRD QUARTER**

FACILITY	NUMBER OF ACCOUNTS	APPROVED OFFER OF COMPROMISE	APPROVED TOTAL LIABILITY REDUCTION	REASON(S) FOR COMPROMISE
<b>NORTHEAST AREA</b>				
Hospital	210	\$ 2,636,203	\$ 1,410,083	One-Hundred-seventy-six (176) accounts as the highest amounts that could be negotiated with the patients' insurance (Commercial or HMO) carrier, under the circumstances of the case, and receipt of such insurance proceeds prevent further collection from the patients, except for possible beneficiary coinsurance or deductible obligations.
				Twenty-nine (29) accounts as third-party claims settled.
				Five (5) accounts as amounts exceeded patients' current financial resources to pay.
HC/HC	0	\$ -	\$ -	
<b>TOTAL NORTHEAST AREA</b>	<b>210</b>	<b>\$ 2,636,203</b>	<b>\$ 1,410,083</b>	
<b>SOUTHWEST AREA</b>				
Hospital	33	\$ 141,239	\$ 36,853	Thirty-one (31) accounts as the highest amounts that could be negotiated with the patients' insurance (Commercial or HMO) carrier, under the circumstances of the case, and receipt of such insurance proceeds prevent further collection from the patients, except for possible beneficiary coinsurance or deductible obligations.
				Two (2) accounts as third-party claims settled.
HC/HC	0	\$ -	\$ -	
<b>TOTAL SOUTHWEST AREA</b>	<b>33</b>	<b>\$ 141,239</b>	<b>\$ 36,853</b>	
<b>SAN FERNANDO VALLEY AREA</b>				
Hospital	72	\$ 392,818	\$ 145,167	Seventy-two (72) accounts as the highest amounts that could be negotiated with the patients' insurance (Commercial or HMO) carrier, under the circumstances of the case, and receipt of such insurance proceeds prevent further collection from the patients, except for possible beneficiary coinsurance or deductible obligations.
HC/HC	0	\$ -	\$ -	
<b>TOTAL SAN FERNANDO VALLEY AREA</b>	<b>72</b>	<b>\$ 392,818</b>	<b>\$ 145,167</b>	
<b>COASTAL AREA</b>				
Hospital	149	\$ 2,687,239	\$ 626,311	Ninety-two (92) accounts as the highest amounts that could be negotiated with the patients' insurance (Commercial or HMO) carrier, under the circumstances of the case, and receipt of such insurance proceeds prevent further collection from the patients, except for possible beneficiary coinsurance or deductible obligations.
				Fifty-two (52) accounts as amounts exceeded patients' current financial resources to pay.
				Five (5) accounts as third-party claims settled.
HC/HC	0	\$ -	\$ -	
<b>TOTAL COASTAL AREA</b>	<b>149</b>	<b>\$ 2,687,239</b>	<b>\$ 626,311</b>	
<b>ANTELOPE VALLEY AREA</b>				
Hospital	1	\$ 175	\$ 175	One (1) account as the highest amounts that could be negotiated with the patient's insurance (Commercial or HMO) carrier, under the circumstances of the case, and receipt of such insurance proceeds prevent further collection from the patient, except for possible beneficiary coinsurance or deductible obligations.
HC/HC	0	\$ -	\$ -	
<b>TOTAL ANTELOPE VALLEY AREA</b>	<b>1</b>	<b>\$ 175</b>	<b>\$ 175</b>	
<b>RANCHO LOS AMIGOS</b>				
	6	\$ 27,878	\$ 6	Five (5) accounts as amounts exceeded patients' current financial resources to pay.
				One (1) account as the highest amounts that could be negotiated with the patient's insurance (Commercial or HMO) carrier, under the circumstances of the case, and receipt of such insurance proceeds prevent further collection from the patient, except for possible beneficiary coinsurance or deductible obligations.
<b>TOTAL RANCHO LOS AMIGOS</b>	<b>6</b>	<b>\$ 27,878</b>	<b>\$ 13,049</b>	
<b>TOTAL FY 05-06 - 3RD. QTR ALL FACILITIES</b>	<b>471</b>	<b>\$ 5,885,552</b>	<b>\$ 2,231,638</b>	
<b>COLLECTION RATIO FY 05-06 - 3RD. QTR - ALL FACILITIES</b>		<b>73%</b>		
<b>COLLECTION RATIO FY 05-06 YTD - ALL FACILITIES</b>		<b>73%</b>		<b>COLLECTION RATIO FY 04-05 ALL FACILITIES</b>
				<b>67%</b>